

Proposed Australian Animal Welfare Standards and Guidelines (Poultry)

SUBMISSION TO THE REGULATORY IMPACT STATEMENT



Egg Farmers
of Australia

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Executive Summary

Egg Farmers of Australia (EFA) welcomes the opportunity to provide a submission in response to the consultation on the next Animal Welfare Standards and Guidelines process (S&G).

Australian egg farmers care for their animals, are committed to continuous and incremental improvement in animal welfare and are proud to be the first Australian livestock peak body to support mandatory animal welfare standards. In that context, EFA is calling on all state governments to support Option C in the Regulatory Impact Statement (RIS).

EFA is an advocate for **incremental** and **continuous** improvement because it is both responsive to the challenge of managing community concerns on animal welfare, and alert to the implications of rapid change for farmers and community. We know we must improve and that we must do that sustainably and responsibly.

Option C delivers on EFA's commitment to the community; it is responsive to the problem which this regulation seeks to resolve, and allows reform to be undertaken in a sustainable manner.

Option C is the only option costed in the RIS that (i) is responsive to the regulatory problem and (ii) has a positive net community benefit.

Suggestions that a phase out of cage production is manageable overlook the incremental reform the industry has achieved since 2002. After the last model code review the industry spent \$500 million upgrading its cage systems. We made a sizeable transition from battery cages to conventional systems.

A phase out of cage egg production will make a carton of eggs up to \$1 per carton more expensive and will force Australians to pay up to \$200 million more for eggs. This increase in cost will not be shouldered evenly across Australia; it will be borne by

those in Australia that currently rely on the most affordable protein source available in the form of cage eggs. In addition, the industry will consolidate and retract, and some family farms will be forced to shut down.

These consequences will deliver a negative net community benefit.

EFA acknowledges that community concern on this issue appears to be elevated. To address this we have acted to improve our levels of engagement; opened our farms; shared our story, and tried to respond to community concern with dialogue and rational discussion.

Our work over the past 90 days has focused on getting people onto a farm, showing them what it looks like and trying to better understand how we could responsibly do better. What we've learnt is that while a section of the community is strongly opposed to cage egg production, most people are positively surprised with the system when they see it first-hand. This response has highlighted for us the importance of encouraging community discussion that is based on evidence rather than emotion.

Our experience of social media has been difficult. Members have struggled with the personal and pointed nature of complaints. But our experience of direct community engagement has been energizing and we sense that people are comfortable with what we do when they see it for themselves. We know we cannot ignore public concern, but we are challenged by the task of isolating and responding only to those concerns that have a factual basis.

After 90 days of showing ordinary Australians what cage farming looks like we are convinced that the vast majority of Australians have a common-sense approach to this issue: they conceive of the challenge and ultimately err on the side of trusting farmers to get it right. When exposed to the evidence, this response is strengthened.

It has been suggested that 85% of Australians support a ban on cages. Our experience of direct engagement suggests this claim is not supported. We've talked to a range of ordinary Australians on the issue and the single most common feedback we receive is that they had been led to believe it would be much worse. That response tracks with supermarket sales which show that 70% of Australians buy cage eggs from time to time throughout the year and 25% buy cage eggs every time they purchase.

Reconciling the statistical discrepancies here is challenging.

EFA supports Option C because it is the only option costed in the RIS that (i) is responsive to the regulatory problem and (ii) has a positive net community benefit.

We know we need to do more and we know we need to engage with the public on a more permanent basis in order to ensure the industry can be viable and sustainable.

To give meaning to our commitment to do that better, EFA will support a regulatory cap being placed on current conventional cage farming in Australia until the industry can expand its engagement program and show that we have community support for the way we farm. When people see what we do and understand why, concerns are softened - we know it from what we've already done. But we accept it as our responsibility to achieve that across the community, and until that time egg farmers will accept a temporary restriction on the construction of new conventional cages as part of the RIS process.

In the interim our message to governments remains the same.

- We have listened to our critics and we have tried to understand.
- We have engaged with ordinary Australians and we believe we have their support.
- We understand how damaging it has been to allow activist groups to foster community anger.
- We ask governments to stand with farmers in the face of this challenge.
- We will always be accountable to genuine concerns and we will continue to actively listen and improve.
- We support Option C in the RIS.

Introduction

Egg Farmers of Australia (EFA) is the peak national body representing egg farmers across Australia. It exists to further the interests of the Australian egg industry through developing and advocating policies, engaging with relevant stakeholders and participating in public debate. Its primary focus is to promote and improve egg farming for the benefit of the Australian community (both farmers and consumers) and economy.

EFA represents the whole industry and sees great benefits to consumers in the range of egg production systems (cage, barn and free-range) that are currently operating in Australia.

EFA understands that animal welfare is important to the community and has always sought to recognise that concern by committing to consistent and incremental improvement in its practices. It was the first

livestock peak body to unanimously support mandatory and legally enforceable standards.

After widespread consultation, careful consideration of the evidence, and determined efforts to confer with stakeholders, experts and vested interest groups, in relation to the options provided by Animal Health Australia in the Regulatory Impact Statement, EFA supports Option C.



Industry overview

Egg farms in Australia currently produce almost 100 million eggs each week with demand and production expected to grow steadily into the future. Due to the perishable nature of eggs and their low value to weight ratio, consumption is predominantly domestic. Eggs are an important and low-cost source of protein. There is a relationship between egg consumption and the price of alternative protein sources such as meat and it has been shown that specific low income demographics are more likely to purchase larger quantities of eggs (Hendrie et al, 2016).

Egg farming in Australia is a family business with 98 per cent of egg farms family owned and operated. These family businesses contribute around \$1.8 billion to the national economy each year.

Approximately half of all eggs are purchased by consumers as whole shell eggs with the other half servicing food manufacturers, restaurants, cafes and other food outlets.

The farm-gate value of egg production sits at around \$850 million per annum, making eggs the smallest Australian livestock supply chain in economic terms.

Around Australia, there are more than 19 million egg laying hens in 337 commercial egg farms. Approximately 10 million hens are housed in cages with the remainder in barn or free-range production.

The variety of egg production systems, in general terms, provides for a range of animal welfare and egg quality outcomes. The three main production systems are guided by the national model code of practice for the welfare of animals - domestic poultry 4th edition (Model Code).

According to the Model Code, production systems may be defined as:

- a. cage, in which hens are continuously housed in cages within a shed;
- b. barn laid, in which hens are free to roam within a shed which may have more than one level; and
- c. free-range, in which hens are housed in sheds and have access to an outdoor range.

The production systems have different animal welfare profiles and EFA supports and promotes each one. Production systems attract a different cost profile as a result of the different capital costs and the different biosecurity and predator risks associated with hens having access to outdoor areas. These costs are reflected in different farm gate, wholesale and retail prices. For instance, the average retail price for as at June 2016 (Animal Health Australia, 2017):

- a. cage eggs was \$3.24 per dozen;
- b. barn laid eggs was \$4.68 per dozen;
- c. free range eggs was \$5.40 per dozen; and
- d. specialty eggs was \$9.24.

Our farming methods

Egg farmers in Australia use three different farming methods: cage, barn and free-range production. Each production system provides a different welfare profile for hens. The nature of egg farming means that no system is perfect.

Determining which system provides better animal welfare outcomes requires value judgements and is inherently subjective. Cage eggs provide higher physiological welfare dividends through less disease, fewer mortalities and far less medicinal intervention, including with antibiotics (Sossidou et al. 2011, Petterson et al. 2016; Elson, 2015). Barn and free-range eggs allow for the fuller expression of behaviours but higher flock mortality rates (Nicol et al., 2017).

EFA is agnostic on this judgement. It acknowledges that preference in this regard is inherently subjective and consumers should be able to choose eggs based on their own preference.

Cage production

Hens in cage systems have higher welfare outcomes based on the 'biological functioning' welfare framework and lower levels of welfare on the 'affective states' welfare framework.

Caged hens are continuously housed in cages within a shed. As per the Model Code of Practice, conventional cages enable hens to stand at normal height with a minimum space allowance of 550 square centimetres and access to clean water and feed.

Cages deliver a number of welfare dividends which can loosely be defined as physiological. Hens in cages are less likely to contract disease and parasitic infections, require less medical treatment such as antibiotics and have lower mortality rates. They are less likely to experience feather-pecking and cannibalism (Sossidou et al. 2011, Petterson et al. 2016; Elson, 2015). Indeed, cages were introduced because of these welfare benefits and these factors underpin EFA's support for the system.

Importantly, cages also provide for stronger biosecurity protection, a lower carbon footprint and greater production efficiencies (Kijilstra et al., 2009; Clarke, 2010).

Barn production

Hens in barn systems have lower welfare outcomes based on the 'biological functioning' welfare framework and higher welfare outcomes based on the 'affective state' welfare framework.

Birds in barn systems are free to roam within a shed which may have more than one level. They are more likely to contract diseases, and unclean and unhygienic litter and dust must be managed by farmers (David et al., 2015).

Barn systems have higher rates of cannibalism than cage egg production due to the large social groupings and the fecal oral cycle means greater disease and mortality rates. Barn systems allow for the expression of more behaviours than cage production.

Free range production

Free range hens are housed in sheds and have regular and meaningful access to an outdoor range where they are free to roam and forage.

Due to the introduction of externalities free range hens are most likely to contract and spread diseases; antibiotic treatments are generally necessary in free range production. Due to the creation of unstable pecking orders, free range systems create the highest rates of cannibalism of all the production

systems and attract greater instances of predation and smothering. Free range allows hens the largest amount of freedom to express natural behaviours (Sossidou et al., 2011; Petterson et al., 2016; Elson, 2015; Nicol et al., 2017), but has the highest rates of mortality of any production system (RSPCA Australia, 2016).

Adding to these challenges, it is difficult to run free-range in tropical climates with heat and humidity increasing mortalities on top of those created by the system itself.

The old battery cage – egg farmers spent \$500 million to transition from this outdated system.



Approach to the RIS process

Regulatory principles

Given the disparate views that Animal Health Australia is likely to be provided as part of the RIS process, it is imperative that consideration of this issue is grounded in sound regulatory principles.

EFA does not support regulation for regulation's sake and considers that regulation should not exceed the scope of the problem that it seeks to address. The nature of animal welfare debates within regulatory processes means that demands will emerge that exceed the remit of the regulator. The level of public outrage should be acknowledged and properly located within the discipline of good regulation.

EFA urges all governments to make decisions consistent with the *Australian Government Guide to Good Regulation* and the *Council of Australian Governments Best Practice Regulation - 'A Guide for Ministerial Councils and National Standards Setting Bodies'*. The relevant key principles are that regulation should:

- a) not be the default option;
- b) be in response to an identifiable market failure, regulatory failure or an unacceptable hazard or risk;
- c) be targeted to a specific problem and confined to that problem;
- d) be effective and proportional to the problem that is being addressed; and
- e) not restrict competition unless it can be demonstrated that the benefits outweigh the costs and the objectives of regulation can only be achieved through restricting competition.

EFA encourages governments to test the regulatory options available rigorously in accordance with these principles.

The problem

The RIS identifies the *problem* to be solved through regulation by noting that Australia's existing model codes for the welfare of domestic poultry are now 15 years old and that it is appropriate that animal welfare be managed through regulatory standards that are clear and verifiable for the purposes of implementation and enforcement. EFA supports the characterisation of the regulatory problem as:

Problem 1: Risks to the welfare of poultry due to deficiencies in the existing MCOPs and jurisdictional codes of practice for the welfare of poultry (outlined in Table 4.1 below)

and to a lesser extent:

Problem 2: Uncertainty for industry due to a lack of clear and verifiable standards (a confusing mixture of 'musts' and 'shoulds'); and

Problem 3: Excess regulatory burden arising from a lack of national consistency.



Table 4.1 - list of deficiencies in current MCOP for egg laying poultry

Welfare Risk	Addressed in Proposed S&G?
Allocation of responsibility of ensuring the welfare of poultry	✓
Ensuring that poultry which are unable to access feed and water are treated or euthanised as soon as possible	✓
Contamination of litter with toxic agents	✓
Excessive accumulation of excreta from laying hens in cages	✓
Competency of poultry carers to perform their required tasks	✓
Quantitative standards for lighting for poultry other than for young poultry for the first 3 days after hatching	✓
Ensuring that induced moulting is not routinely practiced	✓
Ensuring that if poultry are not fit for slaughter they will be euthanised humanely	✓

EFA accepts that these are material problems that require regulatory intervention and welcomes their resolution in the proposed S&Gs. Specifically, it supports the reframing of minimum standards from voluntary and specification-based to mandatory and outcomes-based.

The biggest single shift proposed by the S&G is a wholesale change in allocating responsibility for the welfare of hens. This shift should be acknowledged and accounted for by governments.

EFA is the first livestock peak body to support the mandating of animal welfare standards and guidelines. Its members understand that community concern about animal welfare is growing and accept that it is appropriate for farmers to support stronger regulation around animal welfare. It is on this basis that EFA supports Option C in the RIS.

EFA notes the specifically listed welfare risks identified by the RIS and is pleased that the S&G addresses the majority of these issues as highlighted in Table 4.2.

Table - 4.2 main areas of specific risk to the welfare of egg laying poultry

Welfare Risk	Addressed in Proposed S&G?
Lack of clear responsibilities for personnel in charge of poultry	✓
Lack of freedom of poultry to express innate behaviours	✗
Inadequate space allowances for poultry (stocking density)	✓
Lack of perches, nests and litter for layer hens	✗
Lack of quantitative lighting standards	✓
Need for restrictions on routine beak trimming	✓
Risky litter management	✓
Need to restrict routine use of induced moulting	✓

EFA acknowledges that the proposed S&G does not provide for the freedom of poultry to express a full range of behaviours in all systems and does not require the provision of perches, nests and litter for layer hens in all systems. It should be noted that all poultry can express some innate behaviours through the mandated provision of feed, water and space allowances for basic locomotion.

Providing for the full expression of all behaviours through complete conversion to barn or free-range production would create adverse animal welfare outcomes and severe economic impacts. For these reasons such a change is not responsive to the regulatory problem and creates a negative net community benefit.

Providing for expression of some of these behaviours in furnished cages is not feasible for the industry to implement and is therefore not within the scope of appropriate regulatory change. In addition, the behavioural welfare outcomes make no substantive impact on the physiology of the hen. EFA would submit that there is no definitive basis for addressing these welfare concerns and in line that, submits that providing these behavioural welfare outcomes is not responsive to the regulatory problem that the S&G is required to resolve.

Response to the problem

The proposed S&G is responsive to the identified problem. It addresses deficiencies within the current model code and will provide for wholesale change in welfare regulation by moving farmers from a specification-based set of voluntary codes to an outcomes-based set of standards.

EFA accepts that some will argue that the most relevant deficiency in the previous model code was that it did not require a change to the infrastructure of conventional cages; though it is noted that such a change must consider adverse impacts such as the change for industry.

Moving from conventional cages is not feasible for industry to implement and would cause serious threats to the sustainability and international competitiveness of the industry (discussed in more detail below). This important and practical regulatory constraint means that requiring a move away from conventional cages should not be considered a response to the regulatory problem.



Cages

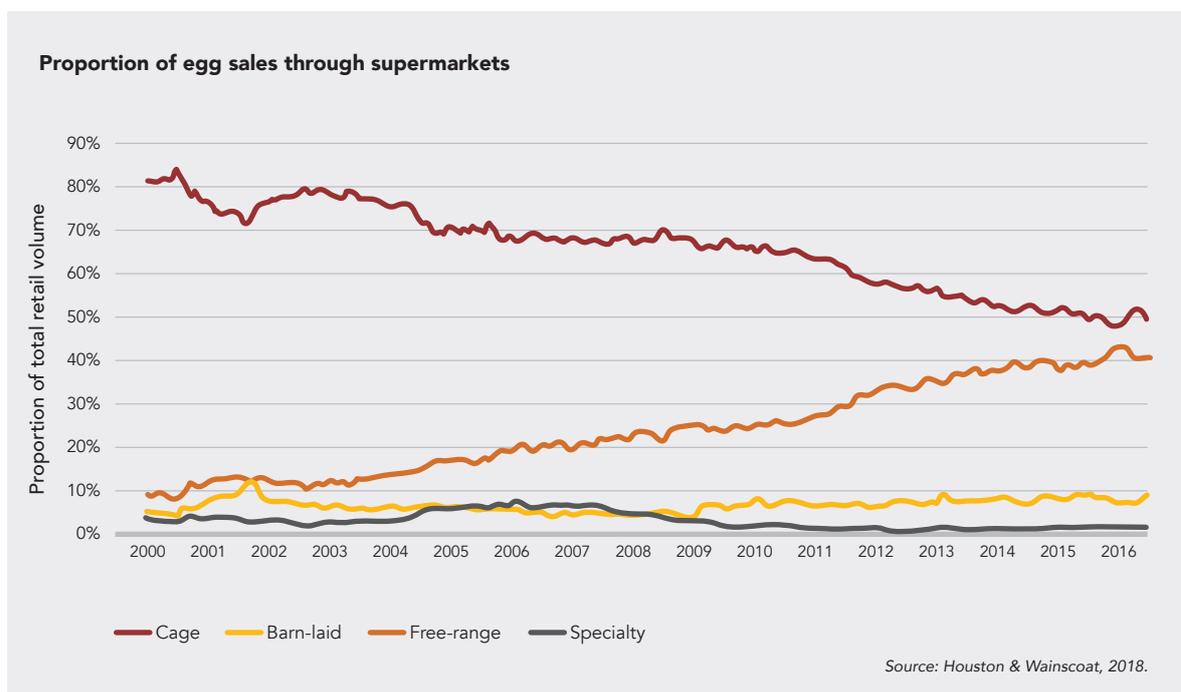
EFA acknowledges that the conjecture surrounding this debate has been focused on cage production. Cages are an important part of the production mix. Any move away from them would be devastating for industry and would create unacceptable animal welfare problems.

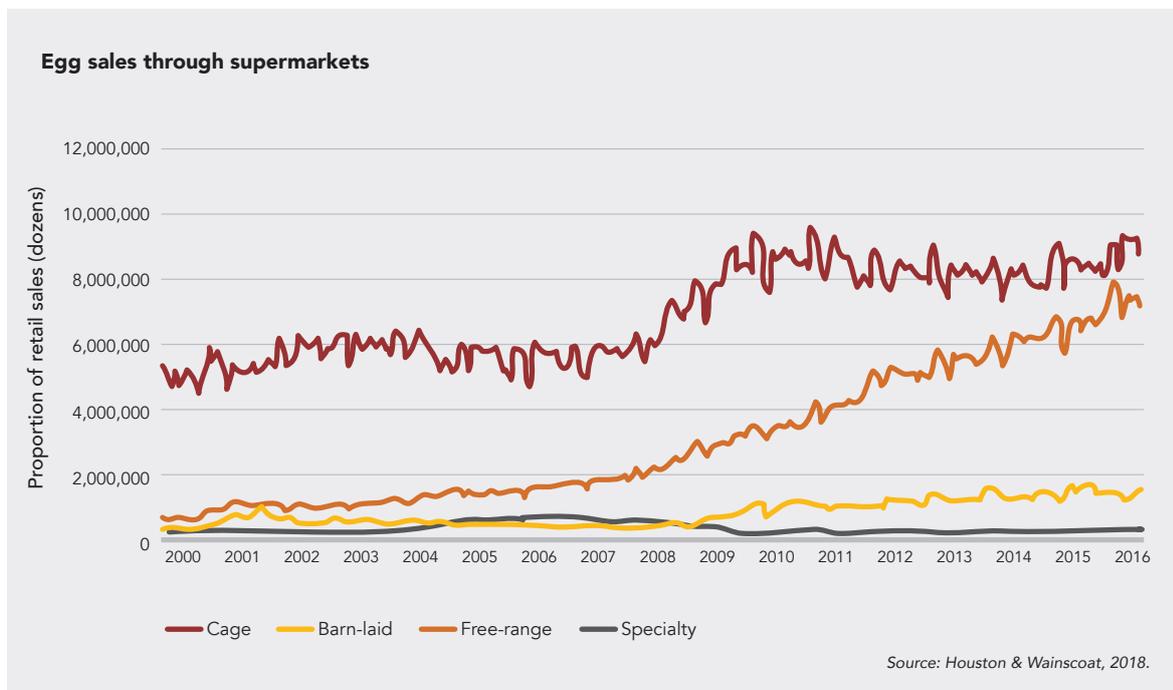
A world without cages?

It is a little-known fact that all egg farmers started out in free-range production. In response to disease and increasing mortalities cage farming was introduced as an innovation in the 1960s and 70s. In the same way the current S&G establishes incremental improvement, farmers were told to get their hens off the ground and into cages in pursuit of better welfare. At its core, this innovation encouraged farmers to separate their hens from manure and in doing so limit the spread of disease and the rate of mortalities. There were also benefits in creating stable pecking orders.

Cages deliver better animal welfare outcomes when assessed on a biological functioning framework. Cage farming is particularly important to ensure we have a strong farming presence in areas where climates preclude sustainable free-range production, such as tropical climates. In addition to these animal welfare benefits they provide important broader advantages in food safety and biosecurity.

EFA acknowledges the strong sentiment by select sections of the community on cage egg farming. Its members want those people to understand both that farmers face serious and important constraints in supporting a phase out of cage production, and that on a





range of welfare criteria, cage hens actually fare better than their free range or barn counterparts.

It is suggested by the welfare lobby for example, that the industry should move to barn or free-range production and to exit cages entirely.

Such a move would make Australian egg farmers the least efficient egg farmers in the world and they would become internationally uncompetitive. Consequently, the cost of production would increase dramatically along with the price of eggs. As serious as these factors are in terms of the industry's sustainability, they are equally problematic when measured solely on animal welfare terms.

As the RIS notes, "the biological functioning framework accepts that welfare will be compromised if an animal is unable to adapt to its environment. Severe challenges may overwhelm an animal's capacity to adapt and may result in death, while less severe challenges may have impacts on growth, reproduction and health." Barn and free-range systems create these adaptation challenges through the size of the flock (cannibalism and smothering events), the introduction of externalities (health risks to the flock), and the presence of faeces (increased disease). These factors present severe adaptation challenges to the hen causing significantly higher mortality rates.

Farmers are familiar with these challenges and their reluctance to consider moving away from all forms of cage production is based as much on bird welfare as the economic viability of the industry.

CASE STUDY

Smothering

Without cages more smothering would occur. While this is only one of the negative welfare consequences, the example is instructive to the debate.

Smothering is one of the nastiest welfare problems with which egg farmers have to cope and if you ever ask a farmer why they choose cage production, smothering will probably be mentioned.

Smothering in poultry occurs when birds flock and mass together; it is usually preceded by panic and hysteria in the flock. A smothering event causes death from suffocation – a slow and tortuous way for hens to die.

A farmer generally discovers a smothering event when it's too late. She'll walk into the barn first thing in the morning to discover a cluster of dead hens at the end of the shed; they have died from suffocation.

It is sometimes suggested that animal welfare problems in barn and free-range production can be prevented through management strategies, whereas the problems with cages are inherent to the system. Smothering is the single most challenging and distressing welfare problem for free-range farmers; it's highly unpredictable and generally occurs when farmers are not around. This unpredictability makes it difficult to address through management.

The experience of a farmer who has to dispose of a few hundred dead hens after a smothering event is the experience that gives constant purpose to cage production. Naturally this leads to questions about the importance of full behavioural expression versus birds dying en masse.

These questions are complex, require ethical judgments which weigh up different measures; and are inherently subjective.

Community engagement program

Overview of program

EFA engaged an IAP2 - an accredited community engagement facilitation firm, to design and implement two community engagement events in Western Australia and Victoria. The aim of the engagement was to provide members of the general public a thorough understanding of the differences between the three main egg production systems, and to gather community feedback to include in EFA's submission to the *Australian Animal Welfare Standards and Guidelines for Poultry*.

EFA recognised early in this process that the sector had lacked visibility and that a renewed effort was required. This commitment arose largely from the constant frustration of members that their cage production was being misrepresented and people were simply not getting a fair go in terms of their understanding of farming practices.

EFA resolved to spend the 90 days of public consultation focused on getting people onto farms, showing them what a farm looks like and trying to better understand how the industry could improve. EFA wanted to get a sense from the community that was direct, definable and observable through in-person attendance.

The groups were encouraged to assist EFA in identifying priorities for inclusion in the S&G submission. As a result, EFA has adopted three recommendations made by the public groups including: greater direct engagement with the broader community; more education and communication about the farmer's views and practices in relation to animal welfare; and a modified proposal which supports the request by the Werribee Group for new infrastructure spending to be confined to systems other than the conventional cage.

Engagement process

Two full-day community engagement programs; Werribee (Vic) on February 9, 2018 and GinGin (WA) on February 14, 2018 were organised. These days were attended by eight members of the public in Werribee, and seven members in Gingin (15 in total). Both events commenced with a presentation from EFA Chief Executive Officer, John Dunn and Veterinarian, Dr. Peter Scott. In Werribee the community group also received a presentation from Animal Welfare Scientist, Dr. Ellen Jongman. Each speaker was given an equal amount of time to present and the groups were given approximately 15 minutes to ask the presenters questions.

Following the presentations, the groups were transported to nearby egg farms (LT's Eggs in Werribee, Victoria; Junction Bridge Farm in Gingin, WA). They were then given a guided tour through the respective facilities by the farm owner and senior employees. They were encouraged to ask the farmers questions throughout the tour. Time spent at the farm was approximately one hour in both cases.

The final component of the day was a two hour group discussion and community panel facilitated by the facilitator. The discussion was divided into three sessions:

- a. Participants describing three key learnings from the presentations and the farm visit;
- b. Participants describing their key concerns; and
- c. A discussion with participants on recommendations for EFA regarding acceptable animal welfare standards in the poultry industry.

Insights and key feedback

The community panel discussion held in the afternoon in both Werribee and Gingin elicited a range of opinions, learnings and concerns from the farm visit and presentations earlier in the day. The key learnings and concerns that community participants voiced were:

- a. Higher disease and mortality of free range hens;
- b. Short production lifespan of hens (80 weeks);
- c. Cages are still small and basic;
- d. Cage farms are clean;
- e. Farming practices are better than expected;
- f. Positives and negatives in each egg production system; and
- g. Need to retain consumer choice.

Recommendations

In the final session of the day, the group was empowered to create recommendations for EFA to use as part of its submission to Animal Health Australia's public consultation into Australian Animal Welfare Standards and Guidelines for Poultry. The concluding recommendations of the two groups differed slightly.

More Education

Principally, the groups requested greater education and engagement. EFA has begun examining how a longer-term process of direct communication can be actioned to address this request. There are significant practical constraints to getting people on farm, but EFA is working through alternative options which would deliver a consistent and representative engagement loop with the community.

Improved communications on animal welfare

Both days were punctuated by a level of surprise about the farmer's conception and delivery of animal welfare. Indeed, some participants expressed confusion and surprise that cage farming has any benefits whatsoever.

EFA has elected to respond to this by developing its first Animal Welfare Policy Statement which is attached at Appendix 1.

Regulated cap

Participants in Werribee indicated some interest in seeing new regulations quarantined to new farming developments. EFA has considered this and to give meaning to our commitment to better engagement, EFA will support the regulators mandating a cap on current conventional cage farming in Australia until the industry can expand its engagement program and demonstrate that there is community support for the way cage eggs are produced. EFA underlines here that this is a temporary undertaking as its members believe that with openness and dialogue they can show people the place that cage production has in egg farming.

Sound Community Support

Across the sessions and farm visits in Werribee and Gingin, the consistent feedback was that participants felt as though they were better informed and that this was a good experience that should be shared with more members of the public. The feedback from the groups provided EFA with a renewed confidence that Option C could deliver on community expectations.

Response to recommendations

There were three suggestions from the community engagement which EFA will now seek to action. This includes:

- **More Education:** which will form the basis of EFA's ongoing community engagement commitment,
- **Improved communications on animal welfare:** EFA has developed and released an "Animal Welfare Policy Statement (discussed below), and
- **Regulated cap:** The request was somewhat difficult to clarify. EFA has never considered it appropriate to support new regulations only on new farms, but we acknowledged the sentiment of the community that they saw debt constraints as relevant and thought improvements should be made where possible. EFA will respond to this suggestion by supporting a cap on the construction of new conventional cages as part of the RIS process



EFA's commitment to animal welfare

Egg farmers value their animals as living creatures and accept responsibility for delivering good welfare.

They acknowledge that there is no single definition of animal welfare and view animal welfare in a farming context. Belief in welfare underpins their support for cage systems.

Cage systems provide a superior welfare outcome when assessing benefits using the 'biological functioning' framework (Hemsworth et al, 2014). Barn and free-range systems provide improved welfare outcomes when assessing benefits using an 'affective states' framework (Hemsworth et al, 2014). Neither production system is perfect just as neither welfare framework is complete.

EFA's public engagement has underlined that the benefits of cage production are generally not understood by the public. In response to feedback during the public consultation period, EFA has developed an *Animal Welfare Policy Statement*. This statement articulates what animal welfare means to egg farmers and how they deliver on that commitment in the way they farm. The policy statement is attached at Appendix 2 and contains a series of principles which are outlined in Table 7.1 below.

Table 7.1 - EFA Animal Welfare Principles

- Egg farmers value the welfare of their hens. Our belief in welfare is based on our commitment to both productivity and stewardship:
 - we keep our animals healthy so they can be productive;
 - we value our animals as living creatures and embrace our pastoral duty in managing their wellbeing.
- We recognise that animal welfare is a core responsibility for all egg farmers and believe that the proper care of hens is a daily duty.
- We uphold the minimum standards for ensuring animal welfare and we support the mandating of standards into law.
- We are committed to continuous improvement in animal welfare practices.
- We accept that managing the welfare of hens may involve trading off some aspects of behaviour in order to achieve a greater good. This is appropriate and justifiable.
- In cage systems and controlled settings, we create an environment with some restrictions on the expression of behaviour to limit deaths and the spread of disease.
- In free range systems we create an environment which can expose hens to predation and disease, but which allows for a broader expression of natural behaviour.
- We believe that proper attention to animal welfare improves productivity and contributes to commercial success.
- We acknowledge the importance of meeting the reasonable expectations of consumers and the wider community without compromising the capacity to sustain the industry and meet market demand.
- We are committed to sustainable, efficient, productive egg farming which caters for the welfare of the hen and the needs of the market.

Options

There are seven options presented in the RIS and collectively they provide a wide and varied set of possible outcomes. These options range from no change at all – meaning no regulatory intervention at all and acceptance of the status quo – to an aggressive regulatory intervention that would sideline the sector and will impose a cost of more than \$1.5 billion.

All acceptable options come with a price tag which is significant and/or problematic and complex.

The RIS provides a weighting of options and on a complex assessment EFA tends to agree with that weighting *in the broad*. However, as discussed below, the assessment of net benefit in Option F is incomplete due to market complexities. The economic impact is significant and is further compounded by issues of market volatility which create an additional spectre of uncertainty and risk.

On the basis of this constraint and in assessing the net benefits that are noted within the RIS, EFA suggests that Option C is an appropriate regulatory step.

Egg farmers feel cautious but optimistic about the level of community support for that proposal. They are pleased to be standing steadfast in recommending that conventional cages have a necessary role and that this stance will be justified with further engagement. If the outcome is some market stability, farmers can start making plans for investment.

EFA acknowledges the difficulty in making judgements about a sector's financial sustainability versus a hen's general welfare and life. Farmers have listened to the public as part of this process and understand that cages are an issue. They have heard that and are resolved to work on it. They are however confident that the current production systems get the job done on this issue by delivering

sufficiently on welfare. EFA will test this with the community openly.

These judgements cannot be made in isolation – weighing up whether some behavioural benefits outweigh the physiological well-being of the hen or the loss of a business is a difficult contest of ideas and it seems foolish to attempt to land on a solution without consideration of the alternatives.

Option A: maintain the status quo

Option A would require no change from industry. EFA members take pride in ensuring animal welfare, but have always considered continuous improvement to be a necessary condition of their pastoral role in caring for animals. In this respect EFA is pro-reform and pro-improvement and considers 'doing nothing' as failing the test they have set for themselves.

Option A does not provide a sufficient net community benefit.

Option B: convert the proposed national standards into national voluntary guidelines

EFA members take animal welfare seriously and the standard of care on EFA farms would be consistently high. However, EFA does not represent every single Australian egg farmer and it accepts that there can be poor performers. It is a matter of fact that public

interest in animal welfare is increasing and that with that interest comes an associated shift in the moral mindset of the public. EFA welcomes this interest and is committed to meeting public expectations for improvements.

Option B does not provide a sufficient net community benefit.

Option C: adopt the proposed standards as currently drafted and replace the MCOP

EFA supports Option C and views its support for mandatory standards as central to the promise to always improve. In addition to making these standards compulsory, EFA welcomes the shift from a voluntary and specification-based set of codes to a mandatory and outcomes-based set of standards. This change has largely been overlooked but it is substantive and meaningful.

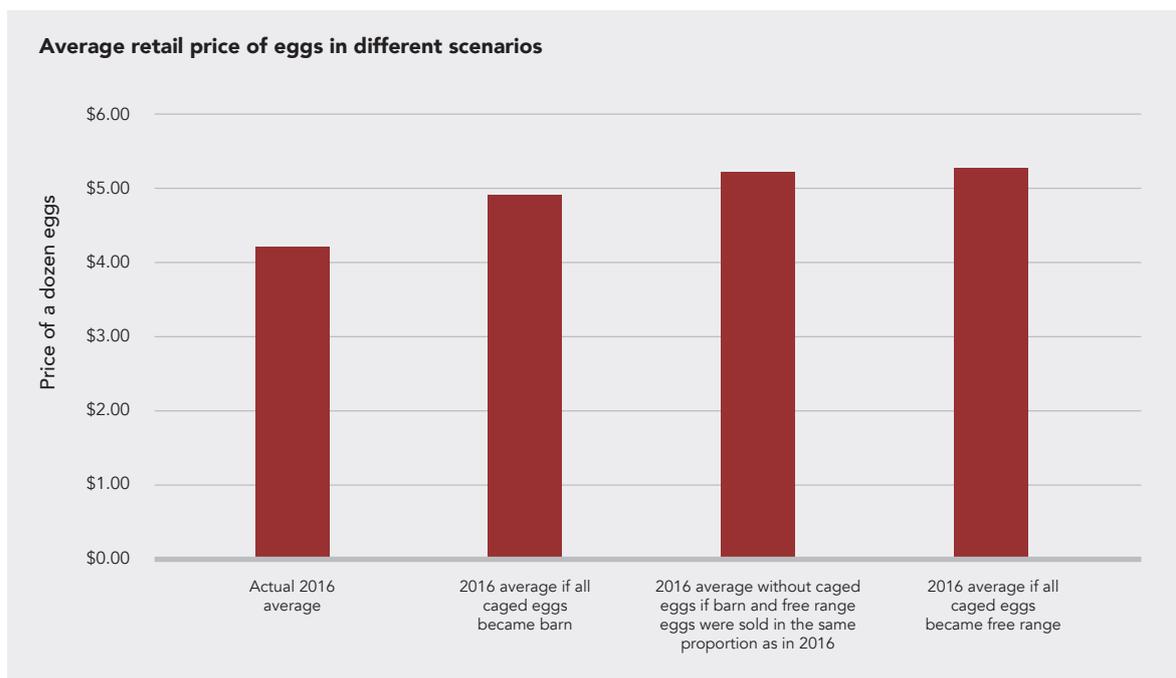
Codes of practice were only ever a guide to educate and inform those responsible for the care and welfare of poultry. It was an

incredibly useful tool for farmers in its time and notably resulted in huge investments in technology and best practice. But the farming vocation is now a profession and farmers acknowledge that they must be more accountable on delivering welfare.

At the heart of the regulatory problem that is the subject of the current debate is a lack of accountability in the allocation of responsibility for the welfare of poultry. These standards resolve this issue and will require that all those involved in poultry production are qualified to do the job and legally accountable in performing their duties.

There is no room in these standards for a 'set-and-forget' approach to husbandry. Where the model code provided specifications for an *intended* welfare outcome, the new standards focus on the *responsibility* and *delivery* of the welfare outcome itself by prescribing legal accountability.

This is wholesale reform and it is supported by farmers.



While industry needs to see Option C mandated, it is committed to keep improving. That means that EFA is comfortable in suggesting in principle, that any *new* cages should include behavioural enrichments. EFA would suggest that retaining the current stocking density and ensuring the provision of a perch and a nest box are feasible.

EFA thinks it appropriate that this commitment be simply added as a single additional item to the current standards. This would ensure that any competition complexities could be averted.

Option C will cost farmers. While they would hope for a common-sense solution to the problems faced by beak-treatment, the mandating of standards has an economic cost that will be shouldered by farmers. However, EFA suggests that the improved welfare outcomes outweigh the implementation costs and that a net community benefit is satisfied through this Option.

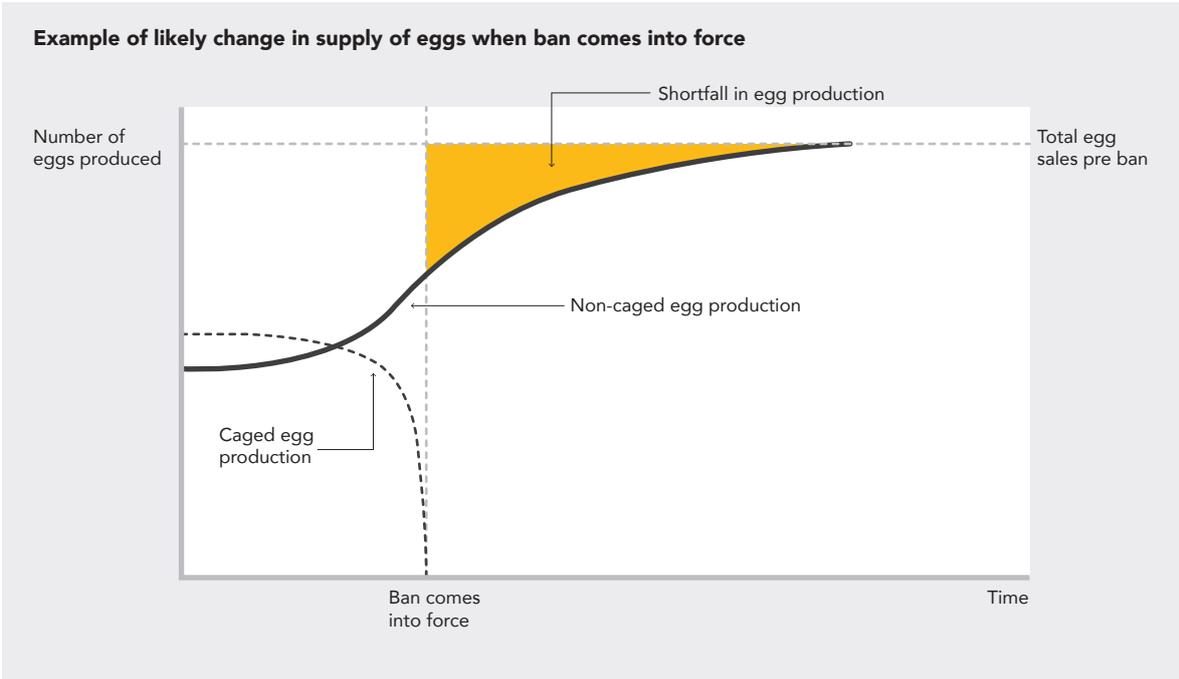
Option C provides a net community benefit.

Option D: vary the proposed standards (option C) to phase out conventional cages for chicken layers over 10 or 20 years in favour of alternative systems

Any move to phase out all cage farming in Australia would make Australian egg farmers the least internationally competitive egg farmers. This suggestion raises food security issues.

Adopting Option D would make the Australian egg industry internationally uncompetitive, would threaten industry stability, create egg shortages and increase the price of protein.

One quarter of Australians only ever buy cage eggs and one quarter of Australian always purchase eggs based on price. That solid foundation demonstrates that demand for cage eggs in Australia will continue over the medium term. A regulated phase out therefore will need to occur in a manner which runs directly counter to consumer demand. Regulations would be



required to specify production levels at individual farms to ensure that the collective targets were met. Additionally, it's likely that at some point the government would be required to force farmers to stop producing food.

There are important implications to shutting down half of the market and substantial disruption would be a necessary consequence.

The RIS notes that support for Option D would have an economic impact of more than a billion dollars.

Transition comes at a cost and any adoption of Option D would see family farms forced off the land.

In addition, a phase-out will make food more expensive with the price of eggs rising by up to \$1 per carton hitting Australian households with an extra \$200 million for eggs each year (Houston & Wainscoat, 2018).

The consequences need to be considered in determining an option which delivers a net community benefit.

Option D does not provide a net community benefit.

Option E: vary the proposed standards (option C) to reduce maximum stocking densities in barns or sheds for non-cage layer hens to 9 birds per m² and meat chickens 30kg/m²

EFA notes that this option would have a ten-year economic impact of around \$1.5 billion. The science on this issue appears to be contested and there is clearly no basis or justification for such reform.

Option E does not provide a net community benefit.

Option F: vary the proposed standards (option C) to require the availability of nests, perches and litter for all chicken layers in cage and non-cage systems

While Option F avoids the most of the welfare complications arising from the calls for egg farming without cages, the economic risks are far more acute. Farmers have tried to grapple with how such a move could be achieved and EFA undertook lengthy deliberations on possible models of implementation. Ultimately, a \$935 million cost has overwhelming practical constraints.

EFA notes that this change has been adopted in Canada, the EU and more recently in NZ. These countries are intuitively comparable to Australia and it is useful to examine the nuances between those countries and Australia to ensure a factual footing for consideration.

The EU - Timing

The EU moved in this direction around the same time as our last model code at the turn of the century. The timing of that move has been critical in ensuring stability for EU farmers. Firstly, the move was announced when the cage egg market was stable and had no serious medium-term volatility in the expected category demand by wholesalers. At the turn of the century cage eggs were considered the staple of the industry and while opposition to cage production was fierce it was yet to convince major retailers to commit to stop sourcing cage eggs by a certain date. Secondly, the timing of the change recognised that cage farming infrastructure required a minimum of 30 years operational life in order to pay down the attached debt. These factors allowed farmers to make these new investments with a level of certainty.

Canada - anything's possible with a regulated market

Canada announced a shift to furnished cages less than a year and a half ago. Up until that time it had operated in used cages by Australian farmers prior to the wholesale changes which arose from the previous model code review in 2002 - the battery cage. However, the Canadian egg market is entirely regulated, and the existence of egg quotas and fixed farm-gate returns meant that the cost of the new infrastructure was factored into the price of eggs. Canadian egg farmers will probably make money while upgrading their infrastructure.

It is notable too that eggs now cost more in this market.

New Zealand - the cautionary tale

New Zealand is a much more relevant case-study for Australia though still represents the cautionary tale. In 2012, new legislation required New Zealand egg farmers to transition to furnished cages within six years.

Many smaller farmers exited the industry as a result of this change, with the remainder required to invest in new infrastructure. That investment has cost the industry up to \$150 million. As new investments were being made by local farmers, large supermarkets including Countdown and Foodstuffs, announced that they planned to cease cage egg sales in any form (Clayton, 2017). This market dynamic was not considered by the government at the time of implementation and its implications are now gradually being felt. Farmers spent millions of dollars implementing a system designed through regulatory intervention and the market is now falling away.

NZ farmers who upgraded their cages did so by taking on significant debt and the infrastructure secured through that investment may soon be completely stranded.

Lessons for Australia

Any similar move in Australia must consider the market volatility in the cage segment and EFA would submit that in noting the current market volatility a legislated program of transition creates unacceptable consequences.

Mandating an upgrade to furnished cages in an unstable market may mandate spending in a category with no future. It would necessarily limit competition and may create outcomes which are not proportional to the issue being addressed.

Put simply, such an outcome is untenable for the industry. While our cage egg farmers will always improve and while infrastructure changes should be part of that improvement, it cannot be mandated now. At this stage of the investment cycle very few EFA members could afford to upgrade their cage infrastructure (with debt from our last upgrade still unpaid). Further, it is unlikely that a bank would lend a farmer the funds for an investment in new cages if there was any exposure to the supermarkets (due to a combination of debt and market instability).

EFA is not opposed to furnished cages - they retain the welfare benefits of a controlled environment and in circumstances where the market was stable, some farmers could make this move. But EFA holds that any mandated process for this change would either force farmers out of the industry or place them in an untenable economic situation. EFA would be happy to work with governments on such reform in circumstance where our debt was repaid, and the market had stabilised.

Option G: vary the proposed standards (option C) to ban castration, pinioning and devoicing, hot blade beak trimming at hatcheries, and routine second beak trim - unless there are exceptional circumstances (hot blade permitted in this circumstance)

EFA encourages greater communication with those involved poultry show-based care and hobby-based enthusiasts.

EFA is concerned about the small business impacts of banning hot blade treatment in hatcheries and the problems with these operators obtaining IRBT machines. However, we acknowledge the concern around this issue, we understand that new technology is available and we will continue to examine how the farming sector can best respond to concerns on a non-regulatory basis.

Option G does not provide a net community benefit.



Responding to community concern

Public submissions and activism

EFA recognises that the public response to the S&G process is unprecedented. We understand that 100,000 emails have been received by the secretariat in opposition to cage production and we accept that this volume of community concern needs to be acknowledged.

Egg farmers understand that cage egg production has a special symbolism for the animal activist sector. It has been the focus of a decades-long campaign which has been hugely effective in recasting the public understanding of egg production.

On October 19th, 2017, GetUp opened its direct email campaign to its membership base by saying:

“Battery hens live their lives in a space the size of a piece of paper. They lose their feathers, they have their beaks cut off, they are confined with dead chickens and they never, ever see sunlight. It’s a miserable life.”

Like so many allegations regarding cage egg farming, exaggeration has now become commonplace and a strong view is entrenched in sections of the community that does not reflect reality.

These concerted efforts to mislead the public about cage egg production have been running since before the turn of the century and while the 100,000 emails received during public consultation might be a great indication of the level of anger about the idea of cage production; they cannot be seen or used as an indication of community concern about the reality of the system.

Community engagement

As part of EFA’s commitment to open and transparent engagement with the community, we’ve talked to people about how we farm and we’ve shown them what it looks like. This nation-wide process of direct engagement has highlighted the difference between what people expected and what they saw.

Farm tours have been provided to a range of people: from those who have expressed curiosity to those who’ve written angry letters. We have tried to make cage farming accessible during this 90-day public consultation and as a result we have seen fears allayed and we have heard our critics apologise for expressing anger without being informed. Indeed, the majority of those who have toured a farm with EFA over the past year have expressed confidence in modern cage egg farming.

To enhance this effort, EFA appointed a community relations firm to undertake open days on cage egg farms with a cross-section of community members and a mix of free range and cage egg buyers. The results of these open days provide an insight into the gap between expectations/perceptions and in-person experience.

EFA used these groups as a community panel and actively sought feedback from participants on what they wanted to see improved. One group of participants received a briefing from an animal welfare scientist who highlighted the disadvantages of conventional cage production and we ensured that each participant had both sides of the story before the tour commenced. We were open about our shortcomings; we were transparent about how we farmed, and we were deliberately non-prescriptive in asking for suggestions on possible areas of improvement. Tellingly, the feedback we received most consistently was that the industry was failing the public through a lack of education; that we needed to show everyone what we did; that the

criticisms of cage farming were unfair and inaccurate and that more of the participants - not fewer - would be buying cage eggs guilt-free.

Implications

Egg farmers have always sensed that they weren't getting a fair hearing in the public domain, but they've been historically reluctant to open their farms when the level of concern expressed was so charged and personal. EFA continues to examine how biosecurity can be managed, allowing farm tours to be done on a more permanent basis.

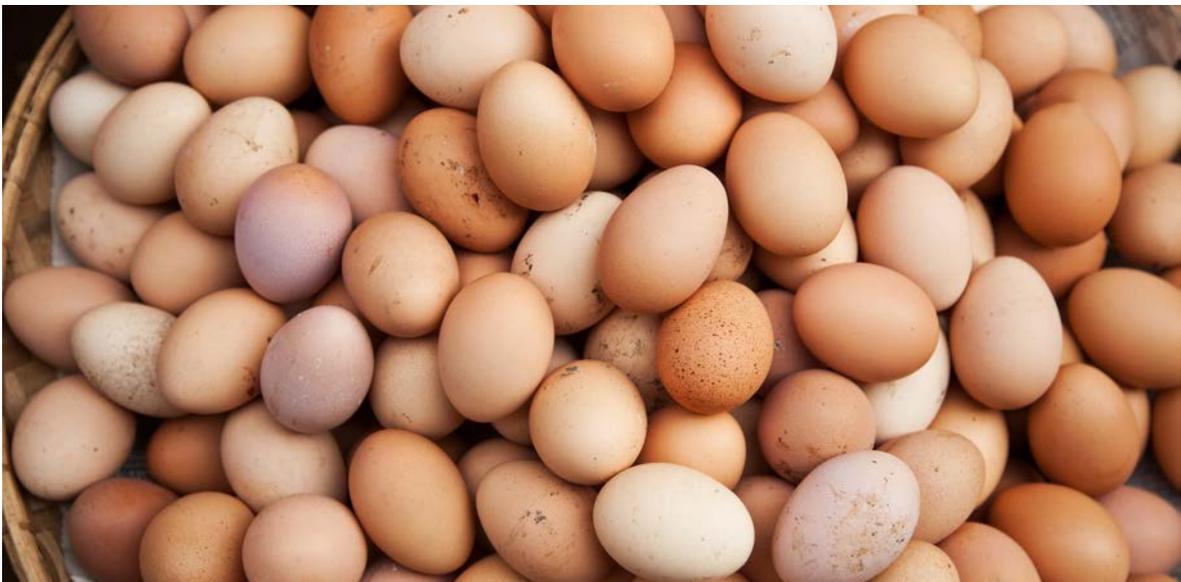
We believe this case study of transparency has demonstrated that the level of public outrage cannot be viewed as a response to the practice. Farm tours have underlined that people who are angry about cages have formed opinions based on misleading characterisations of the industry and a lack of information.

EFA accepts responsibility for its reluctance in countering the activist critique of cage egg farming and we regret that the public has been given only a single side of the story. While we commit to doing more to educate the public, it seems clear that the nature of

the welfare debate may prevent governments from achieving an outcome that is both relevant to the regulatory problem and acceptable to the activist sector. That challenge must be addressed, and a useful start would be to reconcile the difference between genuine concerns on animal welfare and the real but less relevant outrage.

The past 90 days have underlined to the industry that we need to be better at engaging with the community and we commit to do more. But as we tackle that challenge anew we ask the public (and governments) to understand that what they've seen is not what we do; what they've seen is not us, it is not cage farming.

EFA is not submitting that the concern of members of the community is not real. Of course it's real. The concern expressed by people in submissions clearly shows that a sizeable portion of the public are concerned and alive to the issue of animal welfare and, as but one example, people do not support a farming system where, as GetUp put it, hens *"lose their feathers, have their beaks cut off (and) are confined with dead chickens."* As real as that concern may be, it isn't about Australian egg farming.



A sustainable Australian egg industry

Option C is the only option presented in the RIS which: is responsive to the regulatory problem, is feasible for industry to implement, and delivers a net community benefit.

EFA recognises that for some sections of the community anything short of a ban on cage eggs would be seen as unjust and insufficient. We acknowledge that we can do more to build trust more permanently. Over the past 90 days Australian egg farmers have taken action start an open, honest and transparent conversation with the community about what we do and why we do it. We've opened our farms, we've shared our challenges and we've welcomed feedback. And yet the single most consistent piece of feedback we receive from the broad Australian public is that we need to do more work on education - so that people knew that the reality was really OK.

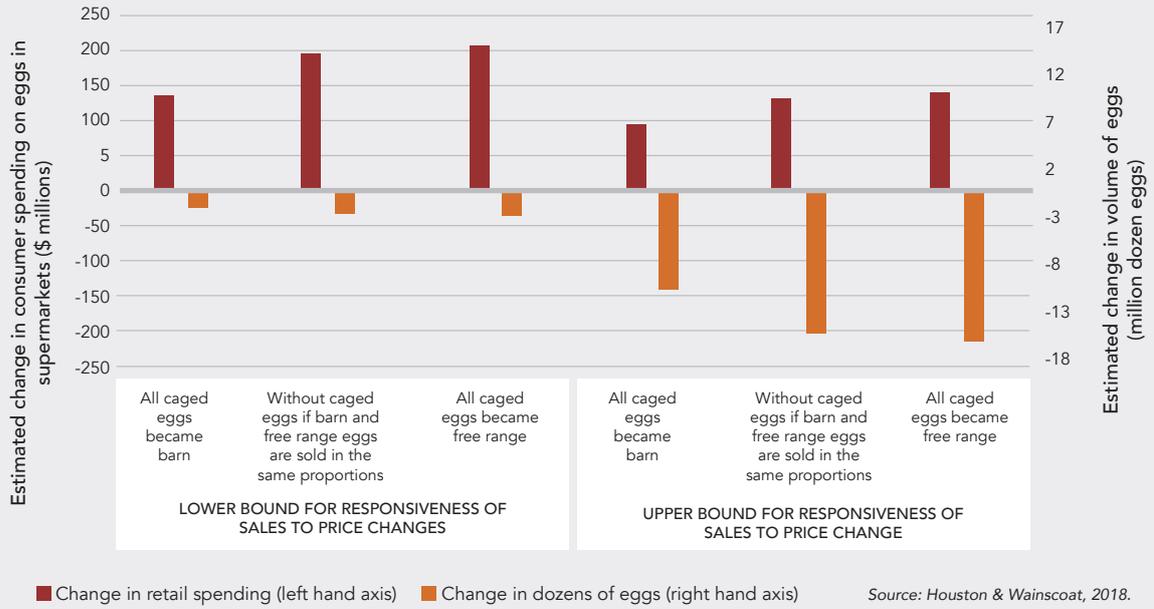
Cage farming is a contested issue. but it is the case that if you take a random cross-section of the Australian community, show them what cage farms do and how they do it, and then ask them what they think about what is done - you will see surprise in abundance and anger not much at all.

This dynamic is difficult to navigate because it isn't only about those who visited farms; it's also about the more vocal members of the community who have problems with confinement and would like to see change. We want to be egg farmers for all Australians, but we acknowledge there may not be enough room at the table for those who do not have a willingness to accept the reality of

what we do. We therefore recognise that we need to be more consistent in our efforts toward public engagement.

While we know the public has confidence in what we do, we also understand that we cannot heal the damage that's been done overnight. After 20 years of misleading statements on egg farming, we recognise there is anger and we commit to healing those wounds. Our commitment to remediate the damage done by activists leads EFA members to support a cap on current conventional cage farming in Australia until such a time as the industry can expand its engagement program. We are confident that when people see what we do and understand why we do it, public concern will ease - we know it from what we've already done. We accept it as our responsibility to achieve that and until we do, egg farmers will restrict any future farms investment to alternate production systems. A small number of farmers have invested in planning and approvals for cage farms. Where possible, the industry will attempt to ensure these new cage investments provide for perches and a nest box. Though we note that a small number of farms have spent significant money on planning and approvals and the commitment on perches and nest boxes is qualified in this regard.

Change in consumption and spending on eggs at supermarkets



Conclusion

Australian egg farmers have always faced the challenge of managing community expectations with regard to farming methods and consumer demand. Egg farmers have been successfully meeting the challenge of producing the 15 million eggs per day required by the Australian domestic market through a mix of farming methods including cage, barn and free range. The production mix has been evolving over many years and egg farmers have responded accordingly through investment in new and innovative cage farming methods and a significant increase in free range production.

Egg farmers have learnt through this process that there is a demand in the community for impartial and factual information on how eggs are produced in Australia. They believe that when presented with that information consumers are comfortable with the industry's farming methods.

Egg farmers are committed to meeting the challenge of exposing the wider community to the reality of cage farming, but require support from governments and regulators to ensure that the community is provided with the accurate information needed to mitigate the outrage created by misinformation and misrepresentation.

As evidence of egg farmers willingness to meet that challenge the industry supports sustainable and incremental animal welfare regulation that can only be achieved through the adoption of Option C in the Regulatory Impact Statement. The industry knows that this is the only way to ensure that the 25% of Australian families that only ever consume cage eggs, and the 70% of consumers that intermittently consume cage eggs continue to have access to affordable and sustainable protein into the future.

Accordingly, if governments are able to deliver an appropriate outcome that is sustainable for industry to implement, provides for incremental and ongoing improvement in animal welfare, and is in accordance with the principles of good regulation, industry will be able to continue to balance consumer expectations around animal welfare and demand for eggs.

RIS Target Questions

RIS location - 2.3.1 Risks to animal welfare

1. **Do you agree with the summary list of advantages and disadvantages of layer hen farming systems in Part 2.3.1?**
2. **Do you think that any advantages and disadvantages are missing from this list? If so, please include them below.**

In the cage egg advantages section it is important to add that cage eggs also has the lowest mortality rate of the farming systems, and has the lowest carbon footprint. In the free range disadvantages section it would be pertinent to add that free range system has the highest need for vaccines to inoculate from disease. Additionally, free range has the highest carbon footprint of the farming systems.

3. **Do you think the risks to the welfare of poultry discussed in Part 2.3.1 are sufficient to justify the introduction of better standards and/or guidelines?**

EFA agrees that new standards and guidelines will clarify the welfare outcomes that are required of farmers.

4. **Which of the above mentioned areas of risk to poultry welfare do you think are of the greatest concern?**

The activist sector is most likely to believe that an animals' freedom to perform "natural behaviour" is the most important welfare concern for poultry however, EFA believes that the most important welfare concern to be mortality. The only scientific, measurable method of ascertaining the welfare of a hen is through assessment of biological functioning. Disease, predation and severe weather can greatly impact on the welfare of a chicken and the removal of cages could remove a production system that ensures that all of these

welfare outcomes are no longer appropriately monitored. EFA understands that welfare is not solely concerned with biological function and giving consumers the option to purchase free range eggs allows them to make a decision about which welfare outcome is most important to them.

EFA considers biological welfare outcomes to be of greatest concern however, due to the fact that it is measurable and scientifically based. More study should be undertaken into a hen's affective state before it can be considered as the most important welfare outcome.

5. **Are there any other areas of concern to poultry welfare? Please provide reasons for your answers, together with supporting scientific evidence.**

Egg Farmers of Australia is satisfied with the areas of animal welfare identified in this RIS.

RIS location - 2.4.1 Lack of clarity in standards

6. **In your experience, to what extent do the existing Model Codes of Practice (MCOPs) and related regulations create uncertainty for Industry?**

The confusing variant in the use of the words 'should' and 'must' creates confusion for farmers when following the current standards and guidelines.

National standards and guidelines would benefit farmers and hens. Often farmers from varying states experience confusion regarding where to locate their state's standards and guidelines and a national document would create a streamlined, less confusing process.

7. Does such uncertainty vary between different states and territories?

Each state or territory has its own set of laws governing poultry welfare which can vary. This is demonstrable when looking at the sections of state legislation that outline the penalties for non-compliance. In your experience, how does this type of uncertainty for industry adversely affect productivity? If possible, please provide some case examples.

The uncertainty associated with varying state-based animal welfare legislation means that farmers are unable to work efficiently. It is often difficult to access information about farmers' obligations to the community and to the birds they care for and this diminishes their ability to effectively farm and ensure animal welfare outcomes simultaneously.

RIS location - 2.4.2 Excess regulatory burden

8. Are you aware of any other poultry farming businesses in addition to those given in Part 2.4.2 that operate in more than one state or territory? If so, please list.

Many farms are integrated in different ways and the use of contracting farms infers responsibility for all assurance processes under specific brands.

9. In your experience, what is the effect of cross-jurisdictional inconsistencies on industry (i.e. even where jurisdictional standards are clear and verifiable)? If possible, please provide some case examples of where additional costs have been imposed on industry as a result of such inconsistencies.

National consistency is imperative. For smaller farms looking to expand their business beyond a single state, this requires a thorough understanding of animal welfare laws in multiple states. Unfortunately, for many smaller farms, access to this kind of legal knowledge is not a resource that is easily acquired:

Even for larger, more established farms, operation in multiple states can be confusing. Inconsistencies in state-based animal welfare laws can impact aspects of welfare. National standards are necessary and beneficial.

10. Do you think there needs to be national consistency in animal welfare standards for poultry? Please provide reasons for your answer.

Consistency in animal welfare law is imperative to ensure the appropriate standards for poultry welfare are maintained. It is the understanding of EFA that Animal Health Australia have received upwards of 100,000 submissions to this public consultation and it is this broad interest in the issue of animal welfare that indicates to us that it is no longer enough to rely on voluntary and inconsistent state-based welfare legislation. Egg Farmers Australia calls for a national and enforceable standard of animal welfare that will decrease the current regulatory burden, provide farmers with clear regulation around care for animals, and provide the public with the comfort of knowing how hens are cared for around the country.

RIS location - 4.2.4 Option B: (non-regulatory option - voluntary national guidelines)

11. Do you think that the net benefits to poultry welfare likely to achieved under Option B, are justified?

12. Would the combination of costs and benefits under Option B be preferable to other options?

No. Please note section *Options*

RIS location - 4.2.5 Option C: (the proposed national standards as drafted)

13. Do you think that the proposed national standards under Option C reflect community values and expectations regarding the acceptable treatment of poultry?

Yes. Please note section *Options* and *Responding Community Concerns*

14. Do you believe that the net benefits to poultry welfare likely to be achieved under Option C, are justified?

Yes. Please note section *Options*

15. Would the combination of costs and benefits under Option C be preferable to other options?

Yes. Please note section *Options*

RIS location - 4.2.6 Option D: (vary the proposed standards [Option C] to include phasing out conventional cages for layer hens)

16. Do you believe that the net benefits to poultry welfare likely to be achieved with a 10 and 20 year phase out of conventional cages under Option D, are justified?

No. Please note section *Options*

17. Would the combination of costs and benefits under variations of Option D be preferable to other options, either as a stand-alone option or in combination with other options?

No. Please note section *Options*

RIS location - 4.2.7 Option E (vary the proposed standards [Option C] to reduce maximum stocking densities in barns or sheds for layer hens and meat chickens)

18. Do you believe that the net benefits to poultry welfare likely to be achieved under Option E, are justified?

No. Please note section *Options*

RIS location - 4.2.8 Option F (vary the proposed standards [Option C] to require the availability of nests, perches and litter for all chicken layers in cage and non-cage systems)

19. Do you believe that the net benefits to poultry welfare likely to be achieved under Option F, are justified?

Yes. Please note section *Options*

20. Would the combination of costs and benefits under Option F be preferable to other options, either as a stand-alone or in combination with other options?

No. Please note section *Options*.

Option F is not feasible for industry to implement at this time.

RIS location - 4.2.9 Option G (vary the proposed standards [option C] to ban castration, pinioning and devoicing, hot blade beak trimming at hatcheries, and routine second beak trim)

21. Do you believe that the net benefits to poultry welfare likely to be achieved under Option G, are justified?

Option G will require greater consultation between government and poultry professionals in industries other than farming. EFA remains eager to ensure these welfare benefits can be better defined and further understood through the development of the decision RIS.

22. Would the combination of costs and benefits under Option G be preferable to other options, either as a stand-alone option or in combination with other options?

No. Please note section *Options*.

RIS location - 4.3 preferred option

23. Which of the Options A, B, C, or combination of one or more Options D, E, F, or G, in your opinion would provide the greatest net benefit for the Australia community?

It is the position of Egg Farmers of Australia that Option C would provide the greatest net benefit for the Australian community. This option upholds the necessity of national and enforceable standards that ensure optimal animal welfare outcomes. This option requires farmers to contribute significantly to compliance costs and our commitment to this option should demonstrate our commitment to animal welfare.

As noted, regulation should not exceed the scope of the problem that it seeks to address. The problem that this consultation seeks to address is that Australia's existing model codes for the welfare of domestic poultry are now 15 years old and that it is appropriate that animal welfare be managed through regulatory standards that are clear and verifiable for the purposes of implementation and enforcement. EFA understands that this is an opportunity to address other elements of animal welfare but encourages governments to critically consider the costs that radical change could have on an industry that employs thousands of Australians and feeds many more.

24. Do you have any further information or data would assist in the assessment of the impacts (costs and benefits) expected under each of the options/ variations?

25. Do you think that any of the Options A to G are likely to have disproportionate impact on small businesses compared to medium and large business?

Wholesale regulation applied uniformly to a sector is likely to disadvantage smaller producers more significantly than others. We note that this is particularly the case with Options D-G.

In particular, Option F would similarly impact on small businesses. For small egg farms to have the confidence to invest in such costly infrastructure as furnished cages, the industry would have to be stable enough to ensure their viability and compensation from government would help remove the risk of bankruptcy. Neither of those factors are currently in play and therefore, the cost of implementation has a large likelihood of pushing smaller farms out of the market.

EFA: Animal Welfare Policy Statement

This animal welfare policy paper provides a clear articulation of Egg Farmers of Australia's position on animal welfare in relation to: farming practices, animal welfare science, community consultation and education, animal protection legislation, enforcement and compliance, and consumer choice.

Background

- 1.1 EFA was established in 2016 to provide a unified voice for state-based egg farmer groups.
- 1.2 It is a member-based organisation which advocates on behalf of farmers.
- 1.3 In its role as an advocate it engages with governments, stakeholders and consumers to promote policies and practices that drive improvement, success and sustainability in egg farming.

Farming Context

- 2.1 Australia consumes 15 million eggs every day.
- 2.2 Ninety eight percent of those eggs are farmed in family owned and operated farms.
- 2.3 Egg farmers are members of Australian cities and regions. They are employees and employers. They are part of the Australian community.
- 2.4 Like all farmers, egg farmers accept their responsibility to care for the welfare and health of their animals and to adopt best practice in support of that outcome.
- 2.5 Egg farmers recognise the community's concern for animal welfare and their interest in farming practices; they welcome the opportunity to engage with the community.

Definition

Animal welfare refers to the protection of the health and well-being of animals. It concerns how an animal is coping in its living environment in terms of housing, freedom from: hunger and thirst, fear and distress, discomfort, pain, injury or disease, and the freedom to express natural behaviours.

Egg farmers meet consumer demands by employing a range of varying production systems, all of which have limitations and challenges in addressing a range of animal welfare outcomes. We are open with the public that this involves managing aspects of behaviour. We acknowledge that hens in conventional cages do not have access to a full range of natural behaviour. Equally, we acknowledge that confinement decreases mortality rates and the spread of disease. Egg farmers view animal welfare in context and believe a more prescriptive definition which provides for the expression of natural behaviour is appropriate for domestic pets.

Principles

- 4.1 Egg farmers value the welfare of their hens. Our belief in welfare is based on our commitment to both productivity and stewardship.
 - 4.1.1 We keep our animals healthy so they can be productive.
 - 4.1.2 We value our animals as living creatures and accept our pastoral duty in managing their wellbeing.
- 4.2 We recognise that animal welfare is a core responsibility for all egg farmers and believe that the proper care of hens is a daily duty.
- 4.3 We uphold the proper standards for ensuring the welfare of our hens set out in the Model Code of Practice for the Welfare of Animals - Domestic Poultry - 4th Edition.

- 4.4 We are nevertheless committed to continuous improvement in animal welfare practices.
- 4.5 We accept that upholding the welfare of hens may involve managing some aspects of behaviour in order to achieve a greater good.
- 4.6 In caged systems and controlled settings we create an environment with some restrictions on the expression of behaviour in order to limit deaths and the spread of disease.
- 4.7 In free range systems we create an environment which can expose hens to predation and disease but which allows for a broader expression of natural behaviour.
- 4.8 We believe that proper attention to animal welfare improves productivity and contributes significantly to commercial success.
- 4.9 We acknowledge the importance of meeting the reasonable expectations of consumers and the wider community without compromising the capacity to sustain the industry and meet market demand.
- 4.10 We are committed to sustainable, efficient, productive egg farming which caters for the welfare of the hen and the needs of the market.

Science

- 5.1 We welcome peer reviewed scientific research that supports enhanced welfare outcomes that may be adopted and accepted under standards reviews.
- 5.2 We welcome the contribution that science makes in demonstrating how to improve the physical wellbeing of hens.

- 5.3 We support additional research into the emotional capacity of animals and will work with scientists to better understand the affective states of hens.
- 5.4 We acknowledge that defining animal welfare is both science-based and values-based.

Consultation and Education

- 6.1 We believe in providing the community with information about how we farm and showing our practices to the public through farm visits.
- 6.2 We welcome public consultation processes and the opportunity to engage with the community.

Legislation

- 7.1 We support legally enforceable animal welfare standards.
- 7.2 We support those standards being codified in state-based animal care and protection acts.
- 7.3 We believe these acts should establish a legally binding benchmark focused on eradicating any cruelty to animals.

Production Systems and Consumer Choice

- 8.1 We produce eggs using three production systems: free-range, barn and cages.
- 8.2 We offer consumers a choice to source eggs from a production system that they choose.
- 8.3 We are committed to enforceable animal welfare in each farming method.
- 8.4 We support third party audited on farm Quality Assurance systems that address legislated welfare compliance.

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